UNITED STATES PATENT AND TRADEMARK OFFICE

UNITED STATES DEPARTMENT OF COMMERCE
United States Patent and Trademark Office
Address: COMMISSIONER FOR PATENTS
P.O. Box 1450
Alexandria, Virginia 22313-1450
www.uspto.gov

APPLICATION NO.	FILING DATE	FIRST NAMED INVENTOR	ATTORNEY DOCKET NO.	CONFIRMATION NO.
09/653,384	09/01/2000	Steven L. Sholem	6299-A-01	7084

23123 7590 10/15/2009

SCHMEISER OLSEN & WATTS
18 E UNIVERSITY DRIVE
SUITE # 101
MESA, AZ 85201

EXAMINER	
NAJARIAN, LENA	
ART UNIT	PAPER NUMBER
3686	

MAIL DATE	DELIVERY MODE
10/15/2009	PAPER

Please find below and/or attached an Office communication concerning this application or proceeding.

The time period for reply, if any, is set in the attached communication.

UNITED STATES PATENT AND TRADEMARK OFFICE

BEFORE THE BOARD OF PATENT APPEALS
AND INTERFERENCES

Ex parte STEVEN L. SHOLEM

Appeal 2009-000807
Application 09/653,384
Technology Center 3600

Decided: October 15, 2009

Before HUBERT C. LORIN, ANTON W. FETTING, and JOSEPH A. FISCHETTI, *Administrative Patent Judges.*

FETTING, *Administrative Patent Judge.*

DECISION ON APPEAL

STATEMENT OF THE CASE

Steven L. Sholem (Appellant) seeks review under 35 U.S.C. § 134 (2002) of a final rejection of claims 42-51, 53-61, and 63-64, the only claims pending in the application on appeal.

We have jurisdiction over the appeal pursuant to 35 U.S.C. § 6(b) (2002).

SUMMARY OF DECISION[1]

We REVERSE.

THE INVENTION

The Appellant invented a method and apparatus for coordinating and tracking medical services and related information, and evaluating managed care organization payment patterns for medical services to reduce medical practitioner losses from unpaid, partial-paid and late-paid services (Specs. 2:8-11).

---

[1] Our decision will make reference to the Appellant's Appeal Brief ("App. Br.," filed January 9, 2008) and the Examiner's Answer ("Ans.," mailed March 11, 2008), and Final Rejection ("Final Rej.," mailed September 18, 2007).

An understanding of the invention can be derived from a reading of exemplary claim 63, which is reproduced below [bracketed matter and some paragraphing added].

> 63. A medical management system comprising at least one electronic device having:
>
> a) a display;
>
> b) a memory; and
>
> c) a processor operating in accordance with software for:
>
> 1) receiving an identifier associated with a third party payor ("TPP") as input;
>
> 2) accessing data indicative of the historical payment patterns of the TPP to one or more medical service providers from which a net present value of a future payment by the TPP for at least one requested medical service for a patient associated with the TPP may be generated and assigning a rank to a patient's TPP;
>
> 3) generating an indication of the net present value of the at least one requested medical service prior to providing the medical service, the indication based at least in part upon the historical payment patterns of the TPP to the one or more medical service providers; and
>
> 4) generating an indication of when the patient is accepted as a new patient based in part on the net present value and the rank assigned to the patient's TPP;
>
> 5*)* generating an indication of when the patient's requested appointment should be scheduled based in part on the net present value and the rank assigned to the patient's TPP.

THE REJECTIONS

The Examiner relies upon the following prior art:

Tarter et al.	US 5,550,734	Aug. 27, 1996
Conway	US 5,732,401	Mar. 24, 1998
Edelson et al.	US 5,737,539	Apr. 7, 1998
McCormick	US 2002/0035484 A1	Mar. 21, 2002
Jackson	US 2002/0055858 A1	May 9, 2002

Claims 42-51, 53-57, 60, and 63-64 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, and Conway.

Claims 58-59 stand rejected under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and McCormick.

Claim 61 stands rejected under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and Edelson.

ARGUMENTS

Claims 42-51, 53-57, 60, and 63-64 rejected under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, and Conway

The Appellant argues these claims as a group.

Accordingly, we select claim 63 as representative of the group. 37 C.F.R. § 41.37(c)(1)(vii) (2008).

The Examiner found that Tarter describes all of the limitations of claim 63, except for the limitations of a net present value of a future payment by the third party payor ("TPP") for at least one requested medical service for a patient associated with the TPP may be generated as per limitation (c)(2), generating an indication of the net present value of the at least one requested medical service prior to providing the medical service, as per limitation

(c)(3), and the entirety of limitation (c)(5) (Ans. 3-4). The Examiner found that Jackson describes limitation (c)(3), Conway describes limitation (c)(5), and Tarter suggests limitation (c)(2) (Ans. 4-5). The Examiner further found that a person with ordinary skill in the art would have recognized the benefits increasing predictability, quality, profitability, and generating a more meaningful analysis by implementing these features (Ans. 5). The Examiner found that a person with ordinary skill in the art would have found it obvious to combine Tarter, Jackson, and Conway (Ans. 5).

The Appellant contends that (1) Tarter, Jackson, and Conway fail to describe generating an indication of when a patient is accepted as a new patient based in part on the net present value and the rank assigned to the patient's TPP and generating an indication of when the patient's request appointment should be scheduled based in part on the net present value and the rank assigned to the patient's TPP, as per claims 63 and 64 (App. Br. 14-15), (2) Tarter, Jackson, and Conway fail to describe wherein the software is configured to generate recommended duration for a primary medical personnel to visit with the patient, the recommended duration being based in part upon the historical payment patterns of the TPP to the one or more medical services, as per claims 54 and 64 (App. Br. 17), and (3) there is no motivation to combine Tarter, Jackson, and Conway without impermissible hindsight, as per claim 54, 63, and 64 (App. Br. 15-19).

Claims 58-59 rejected under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and McCormick

The Appellant argues these claims as a group.

Accordingly, we select claim 58 as representative of the group.

The Examiner found that Tarter, Jackson, and Conway fail to describe the additional limitations of claim 58 (Ans. 10-11). The Examiner found that McCormick describes these limitations (Ans. 11). The Examiner further found that a person with ordinary skill in the art would have recognized the benefit of providing a wireless connection to note the diagnoses and procedures and for insurance companies to pay the doctors for services rendered (Ans. 11). The Examiner found that a person with ordinary skill in the art would have found it obvious to combine Tarter, Jackson, Conway, and McCormick (Ans. 11).

The Appellant asserts that dependant claims 53 and 54 are nonobvious for the same reasons asserted *supra* in support of claim 63 (App. Br. 19-20).

Claim 61 rejected under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and Edelson

The Examiner found that Tarter, Jackson, and Conway fail to describe the electronic device further comprising a biometric identifying device operatively coupled (Ans. 12). The Examiner found that Edelson describes this feature (Ans. 12). The Examiner further found that a person with ordinary skill in the art would have recognized the benefit of increasing security by implementing a biometric identification device (Ans. 12). The Examiner found that a person with ordinary skill in the art would have found it obvious to combine Tarter, Jackson, Conway, and Edelson (Ans. 12).

The Appellant asserts that dependent claim 61 is non-obvious for the same reasons asserted *supra* in support of claim 63 (App. Br. 19-20).

ISSUES

The pertinent issues to this appeal are:

- Whether the Appellant has sustained the burden of showing that the Examiner erred in rejecting claims 42-51, 53-57, 60, and 63-64 under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, and Conway.
    - The pertinent issue turns on Tarter, Jackson, and Conway describe generating an indication of when a patient is accepted as a new patient based in part on the net present value and the rank assigned to the patient's TPP and generating an indication of when the patient's request appointment should be scheduled based in part on the net present value and the rank assigned to the patient's TPP.
- Whether the Appellant has sustained the burden of showing that the Examiner erred in rejecting claims 58-59 under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and MCormick.
    - The pertinent issue turns on the Appellant's arguments for claim 63 is found to be persuasive.
- Whether the Appellant has sustained the burden of showing that the Examiner erred in rejecting claim 61 under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and Edelson.
    - The pertinent issue turns on the Appellant's arguments for claim 63 are found to be persuasive.

FACTS PERTINENT TO THE ISSUES

The following enumerated Findings of Fact (FF) are believed to be supported by a preponderance of the evidence.

Facts Related to the Prior Art

Tarter

01. Tarter is directed to a computerized method and system for financing health care service providers by evaluating and purchasing their accounts receivables, rating the creditworthiness of payors and obligors, collecting on receivables, securitizing receivables, managing funds, and processing and reconciling claims and payments (Tarter 1:65-67 and 2:1-9).

02. In first evaluating a service provider, the system extracts a transaction history of all recent third party payables processed by the subscribing service provider and the provider's payor and obligor payment histories to determine a creditworthiness (Tarter 12:50-59). Based on this extracted information, the system decides which service provider receivables to purchase and determines a pricing for the service provider (Tarter 12:64-67).

03. The system creates and maintains an on-line creditworthiness scoring database for payors and obligors (Tarter 13:10-14). The system uses a weighting algorithm that is continuously adapting to newly received data in determining the payor's and obligor's ability to pay (Tarter 13:55-60).

04. The system accepts or declines claims based on the creditworthiness of the payor, obligor, and plan (Tarter 38:34-47).

Conway

05. Conway is directed to a system for tracking the cost of medical procedures by monitoring the movements of personnel, equipment, and/or supplies during a procedure and associating a costs to each movement (Conway 1:4-7),

06. The system relates to a specific space, such as a room, where a transponder is attached each person and object to transmit an identification code, which is received by a cost computer that associates an entry, exit, and/or any other costs associated to the person or object (Conway 2:34-45). Costs can be tracked per use, per activity, or both (Conway 2:57-59).

07. The system includes a scheduling database that provides information on the schedule of patient care activities for a room (Conway 12:50-64). Each of these activities have an associated cost and the costs of the procedures for each room is maintained (Conway 14:31-48). The cost data is used to determine the cost of the procedure as well as to determine the efficiency of the procedure and caregiver (Conway 14:43-48).

Edelson

08. Edelson is directed to data management systems used in the production of product specification documents that require detailed product information and history information from multiple extensive information sources (Edelson 1:4-12).

McCormick

09. McCormick is directed to a system and method for a physician to generate a medication prescription (McCormick ¶ 0002).

Jackson

10. Jackson is directed to a method for providing medical services to patients and financing payments to providers of these medical services (Jackson ¶ 0002).

Facts Related To The Level Of Skill In The Art

11. Neither the Examiner nor the Appellant has addressed the level of ordinary skill in the pertinent art, specifically, medical services optimization systems. We will therefore consider the cited prior art as representative of the level of ordinary skill in the art. *See Okajima v. Bourdeau*, 261 F.3d 1350, 1355 (Fed. Cir. 2001) ("[T]he absence of specific findings on the level of skill in the art does not give rise to reversible error 'where the prior art itself reflects an appropriate level and a need for testimony is not shown'") (quoting *Litton Indus. Prods., Inc. v. Solid State Sys. Corp.*, 755 F.2d 158, 163 (Fed. Cir. 1985).

Facts Related To Secondary Considerations

12. There is no evidence on record of secondary considerations of non-obviousness for our consideration.

PRINCIPLES OF LAW

Obviousness

A claimed invention is unpatentable if the differences between it and the prior art are "such that the subject matter as a whole would have been obvious at the time the invention was made to a person having ordinary skill in the art to which said subject matter pertains.'" *KSR Int'l Co. v. Teleflex Inc.*, 550 U.S. 398, 406 (2007); *Graham v. John Deere Co.*, 383 U.S. 1, 13-14 (1966).

In *Graham*, the Court held that that the obviousness analysis is bottomed on several basic factual inquiries: "[(1)] the scope and content of the prior art are to be determined; [(2)] differences between the prior art and the claims at issue are to be ascertained; and [(3)] the level of ordinary skill in the pertinent art resolved." *Graham,* 383 U.S. at 17. *See also KSR*, 550 U.S. at 406. "The combination of familiar elements according to known methods is likely to be obvious when it does no more than yield predictable results." *Id*. at 416.

ANALYSIS

Claims 42-51, 53-57, 60, and 63-64 rejected under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, and Conway

The Appellant first contends that (1) Tarter, Jackson, and Conway fail to describe generating an indication of when a patient is accepted as a new patient based in part on the net present value and the rank assigned to the patient's TPP and generating an indication of when the patient's request appointment should be scheduled based in part on the net present value and

the rank assigned to the patient's TPP, as per claims 63 and 64 (App. Br. 14-15).

We agree with the Appellant. Tarter describes evaluating the payor's creditworthiness based on historical payment data (FF 02). Tarter uses a weighted algorithm that determines the payor's ability to pay (FF 03) and determines whether to accept a claim based on the determined creditworthiness (FF 04). Tarter's use of creditworthiness is the same as the net present value and rank of the claimed invention. As such, Tarter describes accepting a new patient based in part on the net present value and rank based on the ability to collect payment from the patient.

However, the Examiner relies on Conway to describe scheduling a patient's appointment based in part on the TPP's net present value and rank, as required by limitation (c)(5). Conway describes associating a cost to the use of personnel, equipment, and supplies involved in a procedure by attaching a transponder to the resource and tacking the resource's movement (FF 06). Conway uses this collected data to determine the efficiency of procedure and the caregivers involved in the procedure (FF 07). However, Conway fails to describe generating an indication of when the patient's request appointment should be scheduled based in part on the net present value and the rank assigned to the patient's TPP. The Examiner argues that Conway describes scheduling the appointment based on the cost of the procedure (Ans. 15). However, Conway only describes a scheduling database that maintains data on the costs of procedures in a room (FF 07) and does not generate any schedule, much less a schedule based in part on the cost of procedures or the TPP's net value or rank. The Examiner has provided no evidence that one of ordinary skill would use cost in a

scheduling algorithm. As such, the combination of Tarter, Conway, and Jackson fail to describe this limitation of independent claims 63-64.

Since we find this argument determinative, we need not reach the remaining arguments. The Appellant has sustained the burden of showing that the Examiner erred in rejecting claims 42-51, 53-57, 60, and 63-64 under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, and Conway.

Claims 58-59 rejected under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and McCormick

The Appellant asserts that dependant claims 58-59 are nonobvious for the same reasons asserted *supra* in support of claim 63 (App. Br. 19-20). We agree with the Appellant for the same reasons discussed *supra*. As such, the Appellant has sustained the burden of showing that the Examiner erred in rejecting claims 58-59 under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and McCormick.

Claim 61 rejected under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and Edelson

The Appellant asserts that dependant claim 61 is non-obvious for the same reasons asserted *supra* in support of claim 63 (App. Br. 19-20). We agree with the Appellant for the same reasons discussed *supra*. As such, the Appellant has sustained the burden of showing that the Examiner erred in rejecting claim 63 under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and Edelson.

CONCLUSIONS OF LAW

The Appellant has sustained the burden of showing that the Examiner erred in rejecting claims 42-51, 53-57, 60, and 63-64 under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, and Conway.

The Appellant has sustained the burden of showing that the Examiner erred in rejecting claims 58-59 under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and McCormick.

The Appellant has sustained the burden of showing that the Examiner erred in rejecting claim 61 under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and Edelson.

DECISION

To summarize, our decision is as follows.

- The rejection of claims 42-51, 53-57, 60, and 63-64 under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, and Conway is not sustained.
- The rejection of claims 58-59 under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and McCormick is not sustained.
- The rejection of claim 61 under 35 U.S.C. § 103(a) as unpatentable over Tarter, Jackson, Conway, and Edelson is not sustained.

No time period for taking any subsequent action in connection with this appeal may be extended under 37 C.F.R. § 1.136(a)(1)(iv).

REVERSED

mev

SCHMEISER OLSEN & WATTS
18 E UNIVERSITY DRIVE
SUITE #101
MESA, AZ 85201